MAPHUMULO MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30 JUNE 2008

	NOTES	2008 R		2007 R
CAPITAL EMPLOYED				
FUNDS AND RESERVES		4 110 260		5 694 189
Reserves :Grants	1	4 110 260		5 694 189
Accumulated Surplus	13	3 163 093		7 381 714
		7 273 353		13 075 904
EMPLOYMENT OF CAPITAL				
Fixed Assets	2	0	C1	0
Investments	3	10 162 697		14 132 674
Long Term Debtors	5	105 786		0
		10 268 483		14 132 674
NET CURRENT ASSETS		(2 995 129)		(1 056 769)
CURRENT ASSETS		1 651 814		1 007 386
Debtors	4	1 895 317		561 207
Bank		(243 502)		446 179
Short Term Portion of Long Term Debtors				
CURRENT LIABILITIES		4 646 944		2 064 154
Provisions	7	871 143		873 306
Creditors	6	3 775 801		1 190 848
		7 273 353		13 075 904

INCOME AND EXPENDITURE

Actual Income R	Actual Expenditure R	Surplus (Deficit) R	Budget Surplus (Deficit) R		Actual Income R	Actual Expenditure R	Surplus (Deficit) R	Budget Surplus (Deficit) R
21 440 773	21 896 541	(455 769)	3 642 273	**Income**	17 727 069	21 881 236	(4 154 167)	19 624 036
21 440 773	14 375 831	7 064 942	2 523 207	Administration	17 727 069	15 384 216	2 342 854	17 711 079
	7 520 711	(7 520 711)	1 119 066	Capital Expenditure		6 497 021	(6 497 021)	1 912 957
21 440 773	21 896 541	(455 769)	3 642 273	**TOTAL**	17 727 069	21 881 236	(4 154 167)	1 912 957

647 271	Appropriations for the year (Refer to note 13)	(64 454)
(455 769)	**Net (deficit)/surplus for the year**	(4 154 167)
- 7 190 211	**Accumulated Surplus/ (Deficit) at beginning of the Year**	7 381 714
7 381 714	**Accumulated (Deficit)/Surplus at the End of the Year**	3 163 093

MAPHUMULO MUNICIPALITY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008	2007
Cash Retained From Operating Activities		**(3 075 729)**	**3 249 798**
Cash Generated/(utilised) by Operations	14	(5 487 067)	5 152 114
Investment Income	12	1 270 609	(1 418 849)
(Increase)/Decrease in working capital	15	1 140 730	(483 467)
		(3 075 728)	3 249 798
Less: External interest paid		-	-
Cash Available from Operations		**(3 075 728)**	3 249 798
Cash Contributions for the Public and the State.		425 398	(5 659 930)
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in Fixed Assets	2	(2 009 329)	6 990 443
NET CASH FLOW		(4 659 659)	4 580 311
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(Decrease) in long term loans			
(Increase)/Decrease in Investments	17	3 969 977	2 244 868
Increase/Decrease in Trust Funds		-	-
(Increase)/decrease in cash	16	689 681	2 335 443
		4 659 658	4 580 311

MAPHUMULO MUNICIPALITY

OTES TO THE FINANCIAL STATEMENTS FOR THE YEAR NDED 30 JUNE 2008	2008	2007
	R	R
. RESERVES		
eserves	4 110 260	5 694 190
Refer to appendix A for more detail)	4 110 260	**5 694 190**
. FIXED ASSETS		
ixed Assets at the beginning of the year	20 410 128	13 419 685
apital expenditure during year	7 103 594	6 990 443
ess: Transferred in Assets	-5 094 267	0
ess : Correction of error		
otal fixed assets	22 419 455	20 410 128
ess: Loans redeemed and other capital receipts	(22 419 455)	20 410 128
let fixed assets	-	**0**
. INVESTMENTS		

nlisted		
hort term deposits	10 162 697	14 132 674
	10 162 697	**14 132 674**

verage return on Investments

verage rate of return on investment (gross)
lo Investments have been written off during the year
essions
NB Acc. NO 71044342667 ceded to FNB for the Electronic Banking
acility

. DEBTORS

ing Shaka Municipality	403 653	403 653
alary Advance	5 964	0
tudy Loans		50 505
undry Debtors - Market stalls, Sal Advances		120 827
ısurance Loan		4 259
ame Stores	7 498	
elbon Construction	48 357	
ıdependent Electroral Commission	311	
ental debtors	28 138	0
	493 921	579 244
ess: Bad Debts Provision		(18 037)
at Due Maphumelo	1 401 396	
	1 895 317	**561 207**

. LONG TERM DEBTORS	0	0
otal Long Term Debtors	105 786	0
ess: Current portion of Vehicle loans	-	
	105 786	-

. CREDITORS

lembe Municipality	22 027	22 026
ARS	0	0
undry Creditors Trade	3 753 222	865 965
reditors Suspense		302 858
IF	552	0
undry Creditors		0
	3 775 801	**1 190 848**

PROVISIONS

eave Pay	601 799	622 000
udit Fees	251 306	251 306
ad Debt Adjustment	18 038	
	871 143	**873 306**

. COUNCILLORS' RENUMERATION

layor's allowance	359 759	457 333
eputy Mayor's allowance	218 910	201 226
peaker's allowance	202 341	201 226
xco members	379 444	377 298

ouncillors' allowances	2 219 709	2 057 991
	3 380 163	**3 295 074**

OUNCILLOR BENEFITS

ravelling Allowance		0
ledical Aid		243 360
ell Phone Allowance		185 748
ffice Allowance		0
lousing		0
ouncillor's Pension		494 261
		923 369

. SECTION 57 EMPLOYEES' REMUNERATION

lunicipal Manager	695 038	635 511
hief Financial Officer	0	410 747
irector Corporate Services	589 293	396 228
irector Plan. and Implementation	0	396 228
	1 284 331	1 838 713

0. SECTION 57 EMPLOYEES' BENEFITS

ledical Aid		0
ension Fund		0
roup Life		0
ravelling		0
etirement Annuity		0
lousing Subsidy		0
upplementary Allowance		0
erformance Bonus		257 420
		257 420

1. AUDITORS' REMUNERATION

.udit fees		
urrent Year budget		200 000
under provision prior year		0
		200 000

2. FINANCE TRANSACTIONS

otal external interest earned or paid:		
ıterest earned	1 270 609	1 418 849
ıterest paid		
let external interest earned / (paid)	**1 270 609**	**1 418 849**

3. APPROPRIATIONS

.ppropriation account		
.ccumulated surplus at the beginning of the year	7 381 714	7 190 211
perating surplus / (deficit) for the year	(4 154 167)	(455 769)
rior year adjustments	(64 454)	647 271
	3 163 093	**7 381 714**

perating Account		
Fixed Assets	6 497 020	249 033
ontributions to:		
laintenance Reserve		
.udit Fee Provision	280 028	376 949
eave Pay Provision	230 240	342 144
ad Debts	0.00	4 717.76

	510 268	723 811
4. CASH GENERATED BY OPERATIONS		
)eficit)/Surplus for year	(4 154 167)	(455 769)
.djustments in respect of:		
revious years' operating transactions	-64 454	
revious years' operating transactions - VAT		0
.ppropriations charged against income:	2 163	972 844
Provisions and reserves	2 163	376 949
Contributions to Capital Outlay		249 033
Bad Debts	0	4 718
Contributions to paid leave		342 144
apital Charges:		
ıterest paid:		
to internal funds		0
on external funds		
edemption		
of internal advances		0
of external loans		
ther income credited to the operating account	(1 270 609)	4 635 039
lon-operating income		
public improvement fund		0
provisions and reserves		
lon-operating expenditure:		

ıvestment realized	18 425 210	23 681 519
ıvestment made	-14 455 233	(21 436 651)
	3 969 977	**2 244 868**

ıvestments held -
ND Acc. No 71044342667
NB Acc .No. 74105603986
.BSA Acc. No. 2062520379
.BSA Acc. No 2064091475
.BSA Acc. No. 2064878451
.BSA Acc. No. 2065327312
.BSA Acc. No. 9159847532
.BSA Acc. No. 2060986743
.BSA Acc. No. 2062012598

8. CONTIGENT LIABILITIES

eave pay provision

9. CAPITAL COMMITMENTS

ommitments in respect of external capital expenditure:

· Approved and contracted for		1 357 091
· Approved but not yet contracted for		739 000
		2 096 091

his expenditure will be financed from:

· Internal sources		0
· External sources		2 096 091
Provincial Government		0
National Government		2 096 091

Provisions and Reserves		
	(5 487 067)	**5 152 114**

5. (INCREASE) / DECREASE IN WORKING CAPITAL

ncrease /(decrease) in provisions	(2 163)	
Increase) / decrease in long term debtors	(105 787)	
Increase) / decrease in debtors	(1 334 110)	439 233
ıcrease /(decrease) in creditors	2 582 789	(922 700)
	1 140 730	**(483 467)**

6. (INCREASE) / DECREASE IN CASH ON HAND

ash balance at beginning of the year	446 179	2 781 794
ess: Cash balance at the end of the year	(243 502)	446 179
.mount transferred to Investments		0
nreconciled Difference		-172
	(689 681)	**2 335 443**

NB Current Account - Stanger Branch Acc. No. 62023868998
.BSA Bank - Current Account , Durban - Acc. No. 4056102866
ash at Bank Gijima Acc No. 62120645637
ijima Agricultural Sector Plan Acc No. 621336500388

7. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENT

0. RETIREMENT BENEFITS

he employees are members of the Natal Joint Municipal Pension/Provident und. The fund has a full valuation on a triennial basis, and an interim aluation on an annual basis. It should be noted that the association with the latal Joint Municipal Pension/Provident fund is compulsory.

taff members are entitled to 18.1% of basic salary towards council ontribution to a retirement/pension/provident fund and 60% towards a iedical scheme.

taff members are afforded an opportunity to utilise any unused contribution, ver and above their contribution to the Natal Joint Municipal ension/Provident Fund and medical aid contribution, as a contribution to a :tirement/pension/provident/medical fund of their own choice as from 1 anuary 1997.

he said contribution shall not be paid out to the staff member but must be aid directly by council to the relevant institution.

1. UNAUTHORISED, FRUITLESS AND WASTEFUL XPENDITURE

let Income & Expenditure		455 768.58
.wanaloga Games		12 295.00
.P Sibisi (Ill health)		34 418.70
. P Shangase & Associates (LUM Grant)		48 299.65
ank Charges R/D Cheque		360

2. ACCUMULATED SURPLUS

aising of Bad Debt Provision		4 717.76
djustment for treatment of Leave Provision	-289 398.00	154 415.70
	-289 398.00	159 133.46

3. Related Party Transactions

he Municipal Manager is the Chairperson of the IEC.

he IEC does transact with the Municipality in respect to the rental of Office .ccommodation and the hire of vehicles during Elections.

TRIAL BALANCE FOR MAPHUMULO MUNICIPALITY

1	80	05	4998	000	Unappropriated Surplus Current	0.00	24 146 142.57	-24 146 142.57			0.00	Rate & General	Appropriation Account	Unappropriate Surplus/Defici
)	80	05	4998	000	Unappropriated Surplus Current	0.00	8 107 713.47	-8 107 713.47			0.00	Capital Suspense	Appropriation Account	Unappropriate Surplus/Defici
1	80	05	4998	001	Unappropriated Surplus Previous	-35 982 801.00	2 055 729.25	-8 572 164.06	-188 753.44	-1 007 024.33	-43 695 013.58	Rate & General	Appropriation Account	Unappropriate Surplus/Defici
)	80	05	4998	001	Unappropriated Surplus Previous	28 792 588.58	8 869 644.20	-1 348 933.67			36 313 299.11	Capital Suspense	Appropriation Account	Unappropriate Surplus/Defici

MAPHUMULO MUNICIPALITY

APPENDIX A
STATUTORY FUND, RESERVE AND PROVISION FOR THE YEAR ENDED 2008

Details	Balance 30/6/2007	Contributions during the year	Adjustments	Interest on investments	Other Income	Expenditure during the year	Balance at 30/6/2008
Reserves		(1)					
Establishment Grant	0	-				-	0
Capacity Support Grant	70 190	-				-	70 190
Feasability Study	39 261	-				-	39 261
IDP Grant	29 095	150 000			14 680	(102 732)	91 043
MSIG Grant (IDP)	10 200					(8 947)	1 253
Land Use Management	-48 300					48 300	0
MSIG Land Use Management	39 200					(39 200)	0
MSIG	329 485	734 000				(1 043 769)	19 716
MSIG	0						0
Performance Management Sys	0						0
MSIG PMS	38 609					(6 250)	32 359
Internship Grant	274 781	500 000				(405 886)	368 895
MFMA	73 335						73 335
Retention	57 310	24 682				(5 530)	76 462
MDP Capacity Building	749 737		29 232			(380 925)	398 044
Anti Corruption	134 500						134 500
Project Cons. MAP	22 091						22 091
Town Development MAP	0						0
Project Cons. Office Ass	0	1 781 000					1 781 000
Inter Departmental Monitoring	25 753	580				(6 685)	19 648
Property Rates Impl.	38 775					(37 366)	1 409

Valuation Roll	370 000						370 000
MPRA Ilembe	89 810					(60 941)	28 869
GIS Funds	288 840					(42 372)	246 468
MIG	0						0
Multi Purpose Community Centre	2 428 547	5 236 407				(9 842 285)	-2 177 331
Housing Mabomvini	0	217 000				(217 000)	0
Housing Nodunga	0	251 220				(251 220)	0
CDW Grant	0						0
LGSETA	75 000	67 327					142 327
Internal Control Grant	150 000						150 000
Gijima KZN	-58 339					58 339.00	0
Agri Sector Plan Gijima KZN	0	39 720				-38 505.00	1 215
Art and Craft		50 568				-34 831.00	15 737
INF Investment Plan	133 310	115 295				(233 984)	14 621
Public Participation	250 000	100 000				(15 573)	334 427
HR System	83 000						83 000
Induction Training		10 745					10 745
Corrido Development		500 000					500 000
Urban Design Framework		150 000				(93 749)	56 251
Maphumulo Nursary		500 000				(78 725)	421 275
Taitanium Mining		100 000					100 000
Housing sector Plan		149 650				(146 200)	3 450
Operational Support MPCC		500 000					500 000
CCJC Womens	0	180 000					180 000
	5 694 190	11 358 194	29 232	0	14 680	-12 986 036	**4 110 260**

MAPHUMULO MUNICIPALITY

APPENDIX B
EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2008

	Repayment Date	Interest rate %	Balance at 30/6/2005	Received during the year	Redeemed or written off during the year	Balance at 30/6/2006
xternal Loans						
OTAL EXTERNAL LOANS	-	-	-	-	-	-

	Period	Interest rate %	Balance at 30/6/2007	Received during the year	Redeemed or written off during the year	Balance at 30/6/2008
ITERNAL ADVANCES TO ORROWING SERVICES						
apital Development Fund	Various					0
ublic Improvement Fund	Various					0
			0	0	0	0

MAPHUMULO MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30 JUNE 2008

Expenditure 2007	SERVICE	Budget 2007	Balance at 30/6/2007	Misallocation	Adjusted Allocations	Expenditure 2008	Written off transferred redeemed or disposed of during the year	Asset Transferred in	Bal 30/
R		R	R			R	R	R	
6 990 443	ADMINISTRATION	0	20 410 128			7 103 596	5 094 266	0	22
3 263 857	Administration	0	12 306 060			58 040	5 094 266		7
11 787	Board	0	812 809			6 792 498			7
15 825	Finance	0	351 694			39 350			
3 686 955	Engineering	0	6 724 748			172 311			6
	Community Service		0			8 507			
12 019	Municipal Manager	0	214 816			32 890			
6 990 443	Total Fixed Assets	0	20 410 128	0	0		0	0	22

Less: Other Capital Receipts	Balance			Advanced	Written off		Ba
	20 410 128	0	0	7 103 596	5 094 266	0	22

Contributions ex operating income	8 906 995			6 497 021	-		
Subsidy ex Province	0			606 575			
Assets Transferred in	0						
Financing from Investment	0						
Unconditional Grants	11 503 132						
Net Fixed Assets	0	0	0	0	0	0	

Note:

The Written off amount is not a write off of assets, are but adjustments processed to rectify the opening balances.

MAPHUMULO MUNICIPALITY

APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007 R		Actual 2008 R		Budget 2008 R
	Income			
116 450	Rentals	128 549		60 000
1 418 849	Interest from Investments	1 270 609		1 242 240
-	Free basic service	-		1 218 796
-	CMIP Grant			
19 580 713	National Grant - Equitable Share	16 236 887		17 148 000
-	Interest Earned from Loan	-		-
324 760	Other Income	91 024		
21 440 773		17 727 069		19 669 036
	Expenditure			
9 607 373	Salaries, wages and allowances	9 948 858		12 802 199
3 494 520	General expenses	4 279 288		4 618 424
292 786	Repairs and maintenance	361 220		287 456
249 033	Contribution to Fixed Assets	296 648		0
376 949	Audit Fee Provision	280 028		300 000
342 144	Leave Reserve	230 240		0
13 026	Bursaries/Study Loans	-12 067		0
	Other Expenditure	0		0
7 520 711	Capital Expenditure	6 497 021		9 447 796
21 896 541	**Gross Expenditure**	21 881 236		27 455 875

(455 769)		**Net expenditure**		(4 154 167)		(7 786 839)

MAPHUMULO MUNICIPALITY

APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income R	2007 Actual expenditure R	2007 Surplus/ (Deficit) R		2008 Actual income R	2008 Actual expenditure R	2008 Budget Surplus / (Deficit)
			Administration			
-	**14 375 831**	**(14 375 831)**		**-**	**21 881 236**	**(15 384 215)**
	9 607 373.14	(9 607 373.14)	Salaries, wages and allowances		9 948 858	-9 948 858
	3 494 519.79	(3 494 519.79)	General expenses		4 279 288	-3 811 702
	292 785.66	(292 785.66)	Repairs and maintenance		361 220	-361 220
	249 032.97	(249 032.97)	Contribution to Capital		296 648	-606 674
	732 119.25	(732 119.25)	Contribution to Provisions		498 201	-510 268
		-	Other Expenses		0	-145 493
	0.00	-				
			MUNICIPAL CAPITAL FUNCTIONS/PROJETCS			
	7 520 710.53	(7 520 710.53)	Capital Expenditure		6 497 021	(6 497 021)

21 440 772.76	**0.00**	**0.00**				
324 760.32	0.00		Other Income	91 024.00		
1 418 849.49	0.00		Interest from Investments	1 270 609		
116 449.95	**0.00**		Rentals	128 549		
	0.00		Free Basic Services			
19 580 713.00			National Grant - Equitable Share	16 236 887.00		
	0.00		TLB Hire			
21 440 772.76	**21 896 541.34**	**(455 768.58)**	**TOTAL**	**17 727 069.42**	**21 881 236**	**(4 154 167)**
		647 271.05	Appropriations for the year			(64 454)
		(455 768.58)	**Net surplus /(deficit) for the year**			(4 154 167)
		7 190 211.00	Accumulated surplus / (deficit) beginning of the year			7 381 714
		7 381 714.00	**ACCUMULATED SURPLUS/ (DEFICIT)END OF THE YEAR**			3 163 093

MAPHUMULO MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2008

eneral tatistics	2008	2007
opulation	170000	170000
umber of nployees	39	34